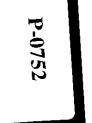


Metrics for 1999 and Beyond

- Time to market
- "Customer" satisfaction
- Unit Cost
- Market penetration
 - -Commercial
 - -Consumer
- PCE
- Employee satisfaction
- Efficiency ratio (expense/revenue)
- Competitive analysis



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Modifications recommended so that Plan:

- 1. Incents/rewards performance that is aligned with Members' interests
- 2. Recognizes size and maturity of U.S. Region (vs. other regions)





1998 MIP Objectives - Current Proposal

	Performance Benchmarks								
Performance Objectives (Payout % - % Target)	Threshold (50%)	<u>Target</u> (100%)	<u>Maximum</u> (200%)						
Operating Profit (\$Millions)	\$719.0	\$765.0-\$795.0	\$918.0						
Growth vs. MC: Volume Number of Accts.	96% 95%	100% - 104% 100% - 102%	110% 105%						
Focus Products:*Commercial/Debit									
Member Sat. Results	2.8	3.2	4.5						
(75% Region; 25% Worldwide)									
Individual Objectives	2.5	3	5						



Visa U.S.A. 1998 Incentive Plan Metrics - Operating Profit

							
		<u>1993</u>	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>	CAGR
Operating Profit		214.4	300.7	389.7	516.2	673.8	33.1%
Controllable Expense		175.6	1 7 7.2	188.1	191.5	198.5	3.1%
Controllable Expense as % of Operating Profit	of	81.9%	58.9%	48.3%	37.1%	29.5%)
Controllable Expense as % of Total Revenue	of	33%	27%	24%	21%	19%	
	<u>1998</u>						
Controllable Expense	218.9			5% varian	ce = 10.9		
Operating Profit	757.0	variance to operating profit = 1.4%					



Growth vs. MasterCard

- Visa's current market share is driving MasterCard's irrational behavior (e.g. mail share)
- With duality, this metric actually conflicts with many Members' interests
- More appropriate measures:
 - A. PCE growth
 - B. Visa as % of GPC market share
 - C. Growth vs. Amex and Discover